

LESLIE TOWNSHIP, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1988, as amended and P.A. 71 of 1913, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name LESLIE TOWNSHIP	County INGHAM
Fiscal Year End JUNE 30, 2007	Opinion Date AUGUST 29, 2007	Date Audit Report Submitted to State OCTOBER 11, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	No items noted	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) DAVID E. HADDRILL, P.C.		Telephone Number (517) 484-4200	
Street Address 834 N. CAPITOL AVE		City LANSING	State MI
		Zip 48906-5114	
Authorizing CPA Signature <i>David E. Haddrill, CPA</i>		Printed Name DAVID E. HADDRILL, CPA	License Number 8099

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David E. Haddrill, P.C.
Certified Public Accountant

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August 29, 2007

Township Board
Leslie Township

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Leslie Township as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Leslie Township, Michigan, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Leslie Township, Michigan as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Leslie Township, Michigan basic financial statements. The statements of revenues, expenditures and changes in fund balance, and the General Fund Schedule of Revenues and Schedule of Appropriations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David E. Haddrill, P.C.

Certified Public Accountant

LESLIE TOWNSHIP
MANAGEMENT DISCUSSION AND ANALYSIS

As the Township Board of Leslie Township, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Leslie Township for the fiscal year June 30, 2007.

Financial Highlights

The assets of Leslie Township exceeded its liabilities at June 30, 2007 by \$1,200,560 (net assets). Of this amount, \$231,032 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Leslie Township's governmental funds reported combined ending fund balances of \$396,851, a decrease of \$32,372 in comparison with the prior year. The total amount, \$396,851 is available for spending at the township's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$231,032, or 70.6 percent of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Leslie Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how of the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements report the functions of the Township, which are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include: general government, public safety, public works, health and welfare, and culture and recreation.

The government-wide financial statements can be found on pages 6 and 7 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Leslie Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the township can be divided into two categories: governmental funds and fiduciary funds.

LESLIE TOWNSHIP

MANAGEMENT DISCUSSION AND ANALYSIS

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental fund financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Leslie Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Fire Protection Fund, Road Improvement Fund and Cemetery Funds which are considered to be major funds. Data from the public improvement funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund and other major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In Leslie Township, assets exceeded liabilities by \$1,200,560 at the close of the most recent fiscal year, a decrease of \$31,787 over the previous year. The following provides a summary of the Township's net assets at June 30:

SUMMARY OF NET ASSETS

	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 410 584	\$ 442 878
Capital assets	<u>803 709</u>	<u>803 124</u>
Total assets	<u>1 214 293</u>	<u>1 246 002</u>
Current liabilities	<u>13 733</u>	<u>13 655</u>
Net Assets		
Invested in capital assets	803 709	803 124
Restricted	165 819	181 888
Unrestricted	<u>231 032</u>	<u>247 335</u>
Total net assets	<u>\$ 1 200 560</u>	<u>\$ 1 232 34</u>

LESLIE TOWNSHIP

MANAGEMENT DISCUSSION AND ANALYSIS

Of the Township's net assets, \$231,032 may be used to meet the Township's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its governmental activities.

The Township's net assets decreased by \$31,787 during the current fiscal year as discussed below.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. The following provides a summary of the Township's Changes in net assets for the year ended June 30:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2007</u>	<u>2006</u>
REVENUES		
Program revenues		
Charges for services	\$ 34 060	\$ 33 216
General revenues		
Property taxes	169 670	158 567
State-shared revenue	164 535	171 974
Interest income	15 268	8 597
Miscellaneous	<u>1 250</u>	<u>4 037</u>
Total revenues	<u>384 783</u>	<u>376 391</u>
EXPENSES		
General government	239 561	228 293
Public safety	102 919	94 782
Public works	59 717	38 547
Health and welfare	6 811	4 920
Culture and recreation	<u>7 562</u>	<u>5 183</u>
Total expenses	<u>416 570</u>	<u>371 725</u>
Change in net assets	(31 787)	4 666
Net assets, at beginning of year	<u>1 232 347</u>	<u>1 227 681</u>
Net assets, at end of year	<u>\$ 1 200 560</u>	<u>\$ 1 232 347</u>

LESLIE TOWNSHIP
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$396,851, a decrease of \$32,372 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the Township's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$231,032. Unreserved fund balance represents 70.6 percent of the total general fund expenditures.

The fund balance of the Township's general fund decreased by \$16,303 during the current fiscal year.

General Fund Budgetary Highlights

There was an increase of \$32,000 in total appropriations between the original budget and the final amended budget. This increase included \$30,000 for a land purchase and \$2,000 for soccer goals.

Capital Asset Administration

Capital Assets. The township's investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$803,709 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, improvements, equipment, park facilities, etc). The total decrease in the Township's investment in capital assets for the current fiscal year was .1 percent.

Details of the Township's capital assets are continued in the notes to the financial statements on pages 13 and 14.

Economic Factors and Next Year's Budget and Rates

The Township's millage rate was reduced again by the Headlee Amendment rollback. This factor was considered in preparing the Township's budget for the 2007-2008 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$231,032. The Township has presented a budget in the 2007-2008 fiscal year that appropriates \$78,442 of the General Fund unreserved fund balance.

Request for Information

This financial report is designed to provide a general overview of Leslie Township's finances for all those with an interest in the township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor of Leslie Township at (517) 589-8201.

LESLIE TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Governmental activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 393 458
Receivables	1 092
Prepaid expenses	16 034
Capital assets - net	<u>803 709</u>
 Total assets	 <u>1 214 293</u>
 <u>LIABILITIES</u>	
Accounts payable	1 638
Accrued payroll	<u>12 095</u>
 Total liabilities	 <u>13 733</u>
 <u>NET ASSETS</u>	
Invested in capital assets	803 709
Restricted for	
Fire Department	74 035
Park pavilion	10 680
Fire protection	28 127
Road improvement	39 380
Cemetery maintenance	13 597
Unrestricted	<u>231 032</u>
 Total net assets	 <u>\$ 1 200 560</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Road Improvement Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents			
Receivables	\$ 227 639	\$ 28 127	\$ 39 380
Due from Tax Revolving Fund	790		
Prepaid expenses	302		
	<u>16 034</u>		
Total assets	<u>244 765</u>	<u>28 127</u>	<u>39 380</u>
<u>LIABILITIES</u>			
Accounts payable			
Accrued payroll	1 638		
	<u>12 095</u>		
Total liabilities	<u>13 733</u>		
<u>FUND BALANCES</u>			
Unreserved			
Undesignated			
Designated for subsequent years expenditures	152 590	28 127	19 580
	<u>78 442</u>		<u>19 800</u>
Total fund balances	<u>\$ 231 032</u>	<u>\$ 28 127</u>	<u>\$ 39 380</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$1,371,026, net of accumulated depreciation of
\$567,317 are not financial resources and are not reported in the funds

Net assets of governmental activities

Net assets of governmental activities

LESLIE TOWNSHIP
STATEMENT OF ACTIVITIES
JUNE 30, 2007

Functions/Programs	Expenses	Charges for services	Net expense (revenue)
Primary government			
General government	\$ 239 561	\$ 4 215	\$ 235 346
Public safety	102 919	29 845	73 074
Public works	59 717		59 717
Health and welfare	6 811		6 811
Culture and recreation	7 562		7 562
Total governmental activities	<u>\$ 416 570</u>	<u>\$ 34 060</u>	<u>382 510</u>
General revenues			
Property taxes			169 670
State - shared revenue			164 535
Interest income			15 268
Miscellaneous			<u>1 250</u>
Total general revenues			<u>350 723</u>
Change in net assets			(31 787)
Net assets, at beginning of year			<u>1 232 347</u>
Net assets, at end of year			<u>\$ 1 200 560</u>

See accompanying notes to financial statements.

<u>Cemetery Maintenance Fund</u>	<u>Public Improvement Funds</u>	<u>Total Governmental Funds</u>
\$ 13 597	\$ 84 715	\$ 393 458
		790
		302
		<u>16 034</u>
<u>13 597</u>	<u>84 715</u>	<u>410 584</u>
		1 638
		<u>12 095</u>
		<u>13 733</u>
	84 715	285 012
<u>13 597</u>		<u>111 839</u>
<u>\$ 13 597</u>	<u>\$ 84 715</u>	396 851
		<u>803 709</u>
		<u>\$ 1 200 560</u>

LESLIE TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2007

	General Fund	Fire Protection Fund	Road Improvement Fund
REVENUE			
Taxes	\$ 100 253	\$ 69 417	\$
State government	164 535		
Charges for fire runs	19 350		
Building permits	10 495		
Building rental	4 215		
Interest	10 966	59	90
Miscellaneous	1 250		
Total revenues	<u>311 064</u>	<u>69 476</u>	<u>90</u>
EXPENDITURES			
General government	236 234		
Public safety	45 804	32 400	
Public works	32 417		27 300
Health and welfare	6 811		
Culture and recreation	6 101		
Total expenditures	<u>327 367</u>	<u>32 400</u>	<u>27 300</u>
Excess(deficiency) of revenues over expenditures	<u>(16 303)</u>	<u>37 076</u>	<u>(27 210)</u>
OTHER FINANCING SOURCES(USES)			
Operating transfers in			
Operating transfers out		(20 000)	
Total other financial sources(uses)		<u>(20 000)</u>	
Excess(deficiency) of revenues and other sources over expenditures and other uses	<u>(16 303)</u>	<u>17 076</u>	<u>(27 210)</u>
FUND BALANCE, at beginning of year	<u>247 335</u>	<u>11 051</u>	<u>66 590</u>
FUND BALANCE, at end of year	<u>\$ 231 032</u>	<u>\$ 28 127</u>	<u>\$ 39 380</u>

Excess(deficiency) of revenues and other sources over expenditures and other uses

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.
Current period capital acquisitions of \$49,755 exceeded depreciation expense of \$49,170.

Change in net assets of governmental activities

See accompanying to financial statements.

Cemetery Maintenance Fund	Public Improvement Funds	Total Governmental Funds
\$	\$	\$ 169 670
		164 535
		19 350
		10 495
		4 215
646	3 507	15 268
		1 250
<u>646</u>	<u>3 507</u>	<u>384 783</u>
21 000		257 234
		78 204
		59 717
		6 811
	9 088	15 189
<u>21 000</u>	<u>9 088</u>	<u>417 155</u>
<u>(20 354)</u>	<u>(5 581)</u>	<u>(32 372)</u>
	20 000	20 000
		(20 000)
	20 000	
(20 354)	14 419	(32 372)
<u>33 951</u>	<u>70 296</u>	<u>429 223</u>
<u>\$ 13 597</u>	<u>\$ 84 715</u>	<u>\$ 396 851</u>

\$ (32 372)

585

\$ (31 787)

LESLIE TOWNSHIP
STATEMENT OF NET ASSETS - TAX REVOLVING FUND
JUNE 30, 2007

ASSETS

Cash	\$ 302
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LIABILITIES

Due to General Fund	<u>302</u>
---------------------	------------

Net assets	<u>\$</u>
------------	-----------

LESLIE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Leslie Township conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by Leslie Township:

A. Reporting Entity

Leslie Township is governed by an elected five-member Board. The accompanying financial statements present the government with no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Leslie Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting, as is the fiduciary fund financial statement. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

LESLIE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

The Leslie Township property tax is levied on December 1 on the taxable valuation of property (as defined by State statutes) located in Leslie Township as of the preceding December 31. It is Leslie Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The Government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Protection Fund accounts for the one mill levied for the acquisition, maintenance and operation of fire protection services and equipment for the Township.

The Road Improvement Fund accounts for previous year tax levies to help fund the improvement, maintenance and repair of roads in the Township.

The Cemetery Fund accounts for previous year tax levies to help fund the operation and maintenance of the cemetery in the Township.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include charges to customers or applicants for goods, services or privileges provided. Generally revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on February 28 of the following year, at which time they are turned over to Ingham County for collection.

Capital Assets - Capital assets, which include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

LESLIE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Land improvements	25 years
Fire vehicles	20 years
Office and fire equipment	10 years
Computer equipment	5 years

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. By state law, expenditures may not exceed budgeted amounts and a fund deficit may not be budgeted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. All budget amendments are approved by the Township Board.

(3) CASH DEPOSITS

All of the Township's funds are received by the Township Treasurer and deposited with institutions approved by the Township Board. At June 30, 2007, the Township had \$393,760 on deposit at a local bank of which \$100,000 was covered by FDIC insurance.

(4) CAPITAL ASSETS

Capital asset activity of the primary government for the current was as follows:

	Balance <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2007</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 17 649	\$ 26 708	\$	\$ 44 357
Capital assets being depreciated				
Buildings	638 654			638 654
Improvements other than buildings	97 740	11 091		108 831
Equipment	567 228	11 956		579 184
Subtotal	1 303 622	23 047		1 326 669

LESLIE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Less accumulated depreciation			
Buildings	172 754	12 807	185 561
Improvements other than buildings	30 730	4 353	35 083
Equipment	<u>314 663</u>	<u>32 010</u>	<u>346 673</u>
Subtotal	<u>518 147</u>	<u>49 170</u>	<u>567 317</u>
Net capital assets being depreciated	<u>785 475</u>	<u>(26 123)</u>	<u>759 352</u>
Governmental activities capital total			
Capital assets - net of depreciation	<u>\$ 803 124</u>	<u>\$ 585</u>	<u>\$ 803 709</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 16 960
Public safety	28 746
Culture and recreation	<u>3 464</u>
Total governmental activities	<u>\$ 49 170</u>

(5) RISK MANAGEMENT

Leslie Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Leslie Township has purchased commercial insurance for property, liability, wrongful acts, crime inland marine and other risks of loss including workers' compensation and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

(6) EMPLOYEES' RETIREMENT SYSTEM-DEFINED CONTRIBUTION

The Township contributes 15 percent of participating employees' gross wages to one of two retirement plans. The Township Clerk administers both plans.

A defined contribution plan, established in 1991, is funded through John Hancock Life Insurance Company. Employees have options as to how their individual account is invested and may make voluntary contributions in addition to the Township's 15 percent.

A defined benefit plan was established effective January 1, 2006. The plan is funded through the Municipal Employees' Retirement System of Michigan and guarantees participating employees a fixed retirement benefit based on years of service and levels of compensation. Employees choosing to participate in this plan transferred their assets from the defined benefit plan and are contributing 3.44 percent of their gross pay to be combined with a 10 percent contribution from the Township. Employees may choose to increase their retirement benefits by increasing their voluntary contributions. The Township also contributes 5 percent of these employees' gross pay to a defined contribution plan, also funded through MERS. Total cost to the Township for both plans for the year ended June 30, 2007 was \$17,137.

LESLIE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

(7) SPECIAL MILLAGES

In August 1996, Township voters approved three special millages: one mill for the acquisition, maintenance and operation of fire protection services and equipment for the Township, one mill for improvement, maintenance and repair of roads in the Township, and one half mill for the operation and maintenance of the cemetery in the Township. All special millages were for the five years from 1996 through 2000 and have been accounted for in separate special revenue funds. In August 2001, the three millages were renewed through December 2004. In August 2004, the fire millage was extended through December 2008.

(8) BUILDING PERMIT FEES AND RELATED EXPENDITURES

For the period July 1, 2006, through June 30, 2007, building permit fees and related expenditures were as follows:

Building permit revenue	<u>\$ 10 495</u>
Inspection department salaries	17 527
Fringe benefits	2 883
Travel and training	1 538
Allocated overhead	<u>2 629</u>
Total expenditures	<u>24 577</u>
Excess(deficiency) of revenues over expenditures	(14 082)
Prior net revenue(expenditure)	<u>(16 127)</u>
Net revenue(expenditure) January 1, 2000 through June 30, 2007	<u>\$ (30 209)</u>

REQUIRED SUPPLEMENTARY INFORMATION

LESLIE TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, -----	
			2007	2006
REVENUES	<u>\$ 284 800</u>	<u>\$ 294 500</u>	<u>\$ 311 064</u>	<u>\$ 306 617</u>
EXPENDITURES				
Legislative - Township Board	37 800	67 800	57 781	37 117
Supervisor	20 859	20 859	18 899	18 679
Elections	11 750	11 750	6 444	4 140
Assessor	26 549	26 549	24 213	24 406
Professional fees	13 700	13 700	6 202	4 797
Clerk	31 127	31 127	29 256	30 441
Board of Review	800	800	480	420
Treasurer	28 767	28 767	26 974	26 401
Township Hall and grounds	37 900	37 900	32 566	24 483
Cemetery	600	600	600	
Fire	28 570	28 570	26 489	12 575
Public safety	3 250	3 250	250	250
Inspection Department	30 187	30 187	19 065	22 373
Public works	34 100	34 100	32 417	5 942
Planning and Zoning	13 700	13 700	2 738	4 896
Health and welfare	10 000	10 000	6 811	4 920
Culture and recreation	9 750	11 750	6 101	6 949
Other functions	<u>41 500</u>	<u>41 500</u>	<u>30 081</u>	<u>30 518</u>
Total expenditures	<u>380 909</u>	<u>412 909</u>	<u>327 367</u>	<u>259 307</u>
Excess(deficiency) of revenues over expenditures	(96 109)	(118 409)	(16 303)	47 310
FUND BALANCE, at beginning of year	<u>247 335</u>	<u>247 335</u>	<u>247 335</u>	<u>200 025</u>
FUND BALANCE, at end of year	<u>\$ 151 226</u>	<u>\$ 128 926</u>	<u>\$ 231 032</u>	<u>\$ 247 335</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP
FIRE PUBLIC IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, -----	
			2007	2006
REVENUES				
Interest income	\$ 200	\$ 200	\$ 2 756	\$ 1 035
OTHER FINANCING SOURCE				
Operating transfers in	<u>20 000</u>	<u>20 000</u>	<u>20 000</u>	<u>20 000</u>
Revenues and other source	20 200	20 200	22 756	21 035
FUND BALANCE, at beginning of year	<u>51 279</u>	<u>51 279</u>	<u>51 279</u>	<u>30 244</u>
FUND BALANCE, at end of year	<u>\$ 71 479</u>	<u>\$ 71 479</u>	<u>\$ 74 035</u>	<u>\$ 51 279</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP
PAVILION PUBLIC IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, ----- 2007 2006	
REVENUES				
Interest income	\$ 500	\$ 500	\$ 751	\$ 883
EXPENDITURES				
Park improvement - capital outlay	<u>10 000</u>	<u>10 000</u>	<u>9 088</u>	<u>17 000</u>
Excess(deficiency) of revenues over expenditures	(9 500)	(9 500)	(8 337)	(16 117)
FUND BALANCE, at beginning of year	<u>19 017</u>	<u>19 017</u>	<u>19 017</u>	<u>35 134</u>
FUND BALANCE, at end of year	<u>\$ 9 517</u>	<u>\$ 9 517</u>	<u>\$ 10 680</u>	<u>\$ 19 017</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, -----	
			2007	2006
REVENUES				
Property taxes	\$ 67 000	\$ 67 000	\$ 69 417	\$ 65 560
Interest income	150	150	59	32
Total revenues	<u>67 150</u>	<u>67 150</u>	<u>69 476</u>	<u>65 592</u>
EXPENDITURES				
Public safety - fire operating	42 000	42 000	28 369	31 420
Fire department - capital outlay	<u>5 000</u>	<u>5 000</u>	<u>4 031</u>	<u>8 960</u>
Total expenditures	<u>47 000</u>	<u>47 000</u>	<u>32 400</u>	<u>40 380</u>
Excess of revenues over expenditures	20 150	20 150	37 076	25 212
OTHER FINANCING USE				
Operating transfers out - Fire Public Improvement Fund	<u>(20 000)</u>	<u>(20 000)</u>	<u>(20 000)</u>	<u>(20 000)</u>
Excess of revenues over expenditures and other use	150	150	17 076	5 212
FUND BALANCE, at beginning of year	<u>11 051</u>	<u>11 051</u>	<u>11 051</u>	<u>5 839</u>
FUND BALANCE, at end of year	<u>\$ 11 201</u>	<u>\$ 11 201</u>	<u>\$ 28 127</u>	<u>\$ 11 051</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, -----	
			2007	2006
REVENUES				
Interest income	\$ 200	\$ 200	\$ 90	\$ 1 464
EXPENDITURES				
Public works - roads	<u>27 300</u>	<u>27 300</u>	<u>27 300</u>	<u>32 605</u>
Excess(deficiency) of revenues over expenditures	(27 100)	(27 100)	(27 210)	(31 141)
FUND BALANCE, at beginning of year	<u>66 590</u>	<u>66 590</u>	<u>66 590</u>	<u>97 731</u>
FUND BALANCE, at end of year	<u>\$ 39 490</u>	<u>\$ 39 490</u>	<u>\$ 39 380</u>	<u>\$ 66 590</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP
CEMETERY MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, ----- 2007 2006	
REVENUES				
Interest income	\$ 100	\$ 100	\$ 646	\$ 800
EXPENDITURES				
Cemetery contribution	<u>21 000</u>	<u>21 000</u>	<u>21 000</u>	<u>20 500</u>
Excess(deficiency) of revenues over expenditures	(20 900)	(20 900)	(20 354)	(19 700)
FUND BALANCE, at beginning of year	<u>33 951</u>	<u>33 951</u>	<u>33 951</u>	<u>53 651</u>
FUND BALANCE, at end of year	<u>\$ 13 051</u>	<u>\$ 13 051</u>	<u>\$ 13 597</u>	<u>\$ 33 951</u>

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

LESLIE TOWNSHIP
GENERAL FUND
SCHEDULE OF REVENUES

	Original budget	Final budget	Year ended June 30, ----- 2007 2006	
Taxes				
Operating	\$ 66 000	\$ 66 000	\$ 68 736	\$ 64 919
Administration fee	27 000	27 000	29 608	27 247
Penalties and interest	800	800	1 909	841
Total taxes	<u>93 800</u>	<u>93 800</u>	<u>100 253</u>	<u>93 007</u>
Intergovernmental				
State shared revenues	<u>162 000</u>	<u>162 000</u>	<u>164 535</u>	<u>171 974</u>
Charges for services				
Fire retainer and fees	<u>9 500</u>	<u>19 200</u>	<u>19 350</u>	<u>13 960</u>
Building permits	<u>15 000</u>	<u>15 000</u>	<u>10 495</u>	<u>15 913</u>
Miscellaneous				
Building rental	2 200	2 200	4 215	3 343
Interest income	1 000	1 000	10 966	4 383
Miscellaneous	<u>1 300</u>	<u>1 300</u>	<u>1 250</u>	<u>4 037</u>
Total miscellaneous	<u>4 500</u>	<u>4 500</u>	<u>16 431</u>	<u>11 763</u>
Total revenues	<u>\$ 284 800</u>	<u>\$ 294 500</u>	<u>\$ 311 064</u>	<u>\$ 306 617</u>

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2007	2006
Legislative - Township Board				
Per diem	\$ 7 500	\$ 7 500	\$ 6 840	\$ 6 540
Clerical	7 000	7 000	4 556	5 076
Supplies	4 000	4 000	3 279	3 442
Dues	1 300	1 300	1 533	1 548
Travel and training	4 500	4 500	2 936	4 215
Printing and publishing	3 500	3 500	2 090	2 475
Miscellaneous	2 500	2 500	1 914	768
Capital outlay	7 500	37 500	34 633	13 053
Total legislative - Township Board	37 800	67 800	57 781	37 117
Supervisor				
Salary	17 309	17 309	17 309	17 309
Deputy	1 000	1 000	107	213
Supplies	500	500		
Dues	50	50	50	
Travel and training	2 000	2 000	1 433	1 157
Total Supervisor	20 859	20 859	18 899	18 679
Elections				
Per diem	6 500	6 500	5 804	1 828
Supplies	4 500	4 500	454	872
Printing and publishing	750	750	186	
Capital outlay				1 440
Total elections	11 750	11 750	6 444	4 140
Assessor				
Salary	19 859	19 859	19 859	19 281
Assistant assessor	1 500	1 500	576	1 309
Supplies	3 000	3 000	2 700	1 764
Dues	90	90	90	165
Travel and training	2 100	2 100	988	1 887
Total assessor	26 549	26 549	24 213	24 406
Professional fees				
Attorney	10 000	10 000	2 502	1 197
Audit	3 700	3 700	3 700	3 600
Total professional fees	13 700	13 700	6 202	4 797

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2007	2006
Clerk				
Salary	\$ 24 747	\$ 24 747	\$ 24 747	\$ 24 147
Deputy	3 000	3 000	2 608	3 258
Supplies	500	500	38	416
Dues	230	230	245	230
Travel and training	2 650	2 650	1 618	2 390
Total Clerk	31 127	31 127	29 256	30 441
Board of Review				
Per diem	800	800	480	420
Treasurer				
Salary	23 547	23 547	23 603	22 947
Deputy	1 200	1 200	900	355
Supplies	500	500	501	64
Dues	220	220	220	220
Travel and training	3 300	3 300	1 750	2 815
Total Treasurer	28 767	28 767	26 974	26 401
Township Hall and grounds				
Salary	3 000	3 000	3 138	2 394
Supplies	1 200	1 200	958	863
Utilities	4 500	4 500	4 904	4 282
Telephone	4 000	4 000	2 592	2 643
Repairs and maintenance	25 200	25 200	20 974	14 301
Total Township Hall and grounds	37 900	37 900	32 566	24 483
Cemetery				
Salary	600	600	600	
Contribution to cemetery	21 000	21 000	21 000	20 500
Recorded in Cemetery Millage Fund	(21 000)	(21 000)	(21 000)	(20 500)
	600	600	600	

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2007	2006
Fire				
Personnel	\$ 21 000	\$ 21 000	\$ 18 762	\$ 15 905
Supplies	10 370	10 370	5 726	3 078
Telephone	1 500	1 500	2 180	2 036
Travel and training	2 500	2 500	1 174	374
Insurance and bonds	15 500	15 500	15 255	14 669
Utilities	3 000	3 000	4 177	3 319
Repairs and maintenance	6 000	6 000	7 366	4 245
Miscellaneous	1 000	1 000	218	369
Capital outlay	5 000	5 000	4 031	8 960
Recorded in Fire Millage Fund	<u>(37 300)</u>	<u>(37 300)</u>	<u>(32 400)</u>	<u>(40 380)</u>
Total fire	<u>28 570</u>	<u>28 570</u>	<u>26 489</u>	<u>12 575</u>
Public safety	<u>3 250</u>	<u>3 250</u>	<u>250</u>	<u>250</u>
Inspection Department				
Zoning Administrator salary	8 687	8 687	8 687	8 455
Building Inspector salary	7 000	7 000	5 080	5 030
Electrical Inspector salary	5 000	5 000	1 320	2 350
Plumbing Inspector salary	7 000	7 000	2 440	3 830
Travel and training	<u>2 500</u>	<u>2 500</u>	<u>1 538</u>	<u>2 708</u>
Total inspection department	<u>30 187</u>	<u>30 187</u>	<u>19 065</u>	<u>22 373</u>
Public works				
Roads	52 400	52 400	52 011	32 605
Drains	9 000	9 000	7 706	5 942
Recorded in Road Millage Fund	<u>(27 300)</u>	<u>(27 300)</u>	<u>(27 300)</u>	<u>(32 605)</u>
Total public works	<u>34 100</u>	<u>34 100</u>	<u>32 417</u>	<u>5 942</u>
Planning and Zoning				
Planning Commission per diem	2 800	2 800	1 410	1 250
Board of Appeals per diem	400	400		
Construction Appeals per diem	500	500		
Planning services	10 000	10 000	1 328	3 243
Printing and publishing				<u>403</u>
Total planning and zoning	<u>13 700</u>	<u>13 700</u>	<u>2 738</u>	<u>4 896</u>

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2007	2006
Health and welfare				
Recycling	\$ 3 000	\$ 3 000	\$	\$
Clean-up days	7 000	7 000	6 811	4 920
Total health and welfare	10 000	10 000	6 811	4 920
Culture and recreation				
Community pool	4 000	4 000	4 000	3 000
Neighborhood Watch	750	750	98	
Capital outlay - park pavilion	15 000	17 000	11 091	20 949
Recorded in Pavilion PI Fund	(10 000)	(10 000)	(9 088)	(17 000)
Total culture and recreation	9 750	11 750	6 101	6 949
Other functions				
Insurance and bonds	11 000	11 000	8 753	8 353
Social security	5 500	5 500	4 191	4 655
Pensions	20 000	20 000	17 137	17 510
Contingency	5 000	5 000		
Total other functions	41 500	41 500	30 081	30 518
Total appropriations and expenditures	\$ 380 909	\$ 412 909	\$ 327 367	\$ 259 307